



## Hallandale Beach Community Redevelopment Agency Agenda Cover Memo

<b>Meeting Date:</b>	January 14, 2019		<b>Item Type:</b> (Enter X in box)	<b>Resolution</b> X	<b>Ordinance</b>	<b>Other</b>	
<b>Fiscal Impact:</b> (Enter X in box)	<b>Yes</b>	<b>No</b>	<b>Ordinance Reading:</b> (Enter X in box)	<b>1st Reading</b>		<b>2nd Reading</b>	
	X		<b>Public Hearing:</b> (Enter X in box)	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>
<b>Funding Source:</b>	Commercial Investment Program 5910-583050		<b>Advertising Requirement:</b> (Enter X in box)	<b>Yes</b>		<b>No</b>	
						X	
<b>Account Balance:</b>	\$1,150,000		<b>RFP/RFQ/Bid Number:</b>	N/A			
<b>Contract/P.O. Required:</b> (Enter X in box)	<b>Yes</b>	<b>No</b>	<b>Project Number:</b>	46302			
	X						
<b>Strategic Priority:</b> (Enter X in box) <b>Capital Improvements</b> Goal 1 - Undertake Total Improvements of Public Realm <input type="checkbox"/> Goal 2 - Promote Public/Public and Public/Private Partnership <input checked="" type="checkbox"/>  <b>Promote Projects with Large-Scale Impacts</b> Goal 1 - Issue a Request for Proposals (RFP) for NW infill Housing <input type="checkbox"/> Goal 2 - Issue a Request for Qualifications (RFQ) for Dixie Highway/Foster Road parcel <input type="checkbox"/>  <b>Priority Area:</b> North West Quadrant <input type="checkbox"/> FEC Corridor <input type="checkbox"/> Southwest Quadrant <input type="checkbox"/> Northeast Quadrant <input type="checkbox"/> Southeast Quadrant <input type="checkbox"/>							
<b>Sponsor Name:</b>	HBCRA Board of Directors		<b>Department:</b>	Executive Director			

**Short Title:**

**A RESOLUTION OF CHAIR AND BOARD OF DIRECTORS OF THE HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY AWARDING A TENANT RENT SUBSIDY GRANT AND APPROVING THE GRANT AGREEMENT WITH CEVICHE AVENUE LLC FOR A GRANT IN THE AMOUNT OF \$7,308; AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE GRANT AGREEMENT; AUTHORIZING THE EXECUTIVE DIRECTOR TO TAKE ALL STEPS NECESSARY AND APPROPRIATE TO IMPLEMENT THE TERMS AND CONDITIONS OF THE GRANT AGREEMENT AND DISBURSE THE GRANT; AND PROVIDING AN EFFECTIVE DATE.**

**Staff Summary:**

**Background:**

The mission of the Hallandale Beach Community Redevelopment Agency (HBCRA) is to promote economic development and enhance the quality of life by eliminating and preventing blighted conditions through the facilitation of community partnerships, business growth, job creation, and neighborhood rehabilitation.

In March of 2012, the HBCRA adopted the Community Redevelopment Plan wherein specific areas within the CRA boundaries were designated as Special Redevelopment Areas and Districts. The Fashion Art and Design District (FADD) was designated as a special redevelopment area. The Community Redevelopment Plan called for a strategy to be developed for FADD to stimulate job creation, generate pedestrian activity, and create a destination area within the City of Hallandale Beach. The Community Redevelopment Plan also described the HBCRA role in supporting and promoting Hallandale Beach as a thriving arts community, to sustain economic vitality and improve the quality of life within the CRA area.

FADD was formerly known as "Schmatta Row" a thriving business, retail and commercial corridor. To that end the HBCRA proposed new Commercial Incentive Programs to support the development of the FADD and other areas throughout the HBCRA. On February 20, 2018, the HBCRA Board of Directors approved new Commercial Incentive Programs that include the following programs:

- Commercial Façade Improvement Grant Program
- Commercial Interior Renovation Grant Program
- Commercial Kitchen Grant Program
- Property Tax Reimbursement
- Tenant Lease Surety / Tenant Rent Subsidy
- Commercial Business – low cost or No-interest Loan

To date HBCRA Staff has received considerable interest in its new Commercial Incentive Programs.

**Current Situation:**

On June 3, 2015 a Development Agreement between Hallandale Land Ventures LLLP, and the City of Hallandale Beach and the HBCRA was approved for the development of the Hallandale ArtSquare Project. ArtSquare Project consist of 358 multi-family mid-rise units. Included in this development agreement Hallandale Land Ventures LLLP, agreed to provide street improvements along NE 3<sup>rd</sup> street from US-1 to NE 1<sup>st</sup> Avenue.

Per the agreement, the HBCRA, which is acting only a funding source, and does not have a direct contractual construction management oversight agreement with the developer, will pay Hallandale Land Ventures LLLP \$3,329,974.30 for the streetscape improvement portion of the project.

The roadway portion of the project which started at the end of 2017 was, per the contractor, supposed to be completed by September 30, 2018. The project, however, has gone beyond its initial scheduled completion date due to delays in construction of the street improvements. Per the developer's roadway contractor, the project should now be completed by the end of January, 2019.

The delays in the projects completion date have greatly impacted businesses in the area, Ceviche Avenue being one of them. Ceviche Avenue located at 101 NE 3<sup>rd</sup> Street, under new ownership, opened for business on June 14, 2018. The restaurant, which is only one of three (3) places to eat in the FADD, experienced initial success, until Maintenance of Traffic (MOT) concerns and the closure of NE 3<sup>rd</sup> Street due to streetscape improvements. All of these factors have made it extremely challenging for patrons to access the restaurant. The decline in revenue sales (Exhibit 5) has caused the owner, Aleyda Rivera to consider closing the restaurant, as the burden of keeping the restaurant open during construction of the roadway has become very costly.

On December 14<sup>th</sup>, the business owner contacted HBCRA Staff, and indicated that she'd be closing down her business. HBCRA Staff immediately began working with her in order to understand what her short term needs were. The applicant indicated that she'd need to get a short term loan if possible, but did not know where she could get one on such short notice. HBCRA Staff immediately contacted members of the Hallandale Beach Business Consortium (HBBC), which is comprised of approximately six (6) banks located in Hallandale Beach. The HBBC was started by the City of Hallandale Beach in February of 2018 in conjunction with the Hallandale Beach Chamber of Commerce.

By December 18, 2014, PNC Bank, one of the HBBC members was able to provide the applicant with a business credit card line in the amount of \$8,000. In addition to what PNC Bank was able to do, HBCRA Staff encouraged the business owner to apply for a rental subsidy from the HBCRA. The rental subsidy, if approved by the HBCRA Board of Directors would be based on the hardship experienced by the business owner due to construction delays in streetscape project.

The HBCRA has received a Tenant Lease Surety/ Tenant Rent Subsidy (TLS) Application from Aleyda Rivera of Ceviche Avenue, located at 101 NE 3<sup>rd</sup> Street Hallandale Beach (Exhibit 2). The goal of the TLS program is to accelerate the attraction of new start-up businesses and reduce vacancy of commercial space in the CRA, with an emphasis on energizing ground-floor space and creating job opportunities in the CRA. The TLS program guarantees thirty-five (35%) percent of a qualified tenant's financial obligation for a period of time if approved by the HBCRA Board. The applicant, Aleyda Rivera of Ceviche Avenue, is requesting that the HBCRA provide her with a Rental Subsidy Grant Agreement in the amount of \$1,218 monthly for a period of 6 months (\$7,308 total).

The HBCRA is in the process of developing an extensive business development program as a part of the City's overall economic development planning. One aspect of this program will be the marketing and promotion of restaurant businesses here in Hallandale Beach. On November 16, 2018, as a way of informing the public about Ceviche Avenue being open for business during the construction of NE 3<sup>rd</sup> Street, the HBCRA in conjunction with IT staff hosted a Facebook Live event at the restaurant. The HBCRA intends continue to promote our local restaurants as a part of its Buy Local initiatives.

Economic Development is defined as a process that aims to improve the economic and social well-being of the community. In order to improve the economic and social well-being of the community, retention of our existing businesses is of paramount importance. Applicant Aleyda Rivera, understands that the street improvements will not only initiate pedestrian activity within the FADD, but will also allow for Ceviche Avenue to gain new patrons from the new ArtSquare development, as residents will now be able to walk directly to the restaurant.

### **Recommendation:**

HBCRA staff recommends that the HBCRA Board of Directors approve an award of a Tenant Rent Subsidy grant to Ceviche Avenue in an amount of \$1,218 to be paid monthly for a period of up to six (6) months, to provide financial relief as the construction of NE 3<sup>rd</sup> Street has gone on much longer than initially anticipated and has negatively impacted the revenue of the business.

### **Why Action is Necessary**

Pursuant to the HBCRA Commercial Investment Program Policy all applications must be presented to the HBCRA Board of Directors for approval.

**Fiscal Impact:**

\$7,308

<b>Attachment(s):</b>
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Exhibit 1 - Resolution  
Exhibit 2 - Application.  
Exhibit 3 – Rent Subsidy Agreement  
Exhibit 4 – Commercial Lease Agreement  
Exhibit 5 – Applicants Letter



Prepared by Jeremy Earle, Ph.D., AICP, Assistant City Manager